# ELEMENTS IN THE REPORT OF THE NATIONAL COMMISSION ON SOCIAL SECURITY REFORM AFFECTING SSI RECIPIENTS

## HEARING

BEFORE THE

SUBCOMMITTEE ON PUBLIC ASSISTANCE AND UNEMPLOYMENT COMPENSATION

OF THE

## COMMITTEE ON WAYS AND MEANS HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

FIRST SESSION

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# ELEMENTS IN THE REPORT OF THE NATIONAL COMMISSION ON SOCIAL SECURITY REFORM AFFECTING SSI RECIPIENTS

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WEDNESDAY, FEBRUARY 9, 1983

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PUBLIC ASSISTANCE AND
UNEMPLOYMENT COMPENSATION,
COMMITTEE ON WAYS AND MEANS,
*Washington, D.C.*

The subcommittee met at 2:10 p.m., pursuant to notice, in room B-318, Rayburn House Office Building, Hon. Harold Ford (chairman of the subcommittee) presiding.

[EDITOR'S NOTE.—The administration presented testimony on February 3, 1983, on the effects the recommendations of the National Commission on Social Security Reform might have on SSI recipients. Those hearings are printed in Serial 98-3.]

[The press release announcing the hearing follows:]

[Press release No. 2 of Feb. 3, 1983]

HON. HAROLD E. FORD (D., TENN.), CHAIRMAN, SUBCOMMITTEE ON PUBLIC ASSISTANCE AND UNEMPLOYMENT COMPENSATION, COMMITTEE ON WAYS AND MEANS, ANNOUNCES A HEARING ON ELEMENTS IN THE REPORT OF THE NATIONAL COMMISSION ON SOCIAL SECURITY REFORM THAT AFFECT SUPPLEMENTAL SECURITY INCOME (SSI) RECIPIENTS

The Honorable Harold E. Ford (D., Tenn.), Chairman of the Subcommittee on Public Assistance and Unemployment Compensation, Committee on Ways and Means, U.S. House of Representatives, today announced a hearing at which members of the National Commission on Social Security Reform and the Administration have been invited to appear before the Subcommittee to address those elements in the Commission's report that could have an impact on the Supplemental Security Income (SSI) program.

The hearing is scheduled for Wednesday, February 9, 1983, beginning at 2:00 p.m. It will be held in room B-318, Rayburn House Office Building.

At this hearing, members of the National Commission on Social Security Reform have been asked to address (1) the intended linkage, if any, between the proposed 6-month delay in the automatic cost-of-living adjustment in OASDI benefits and the automatic cost-of-living adjustment in SSI benefits, and (2) the Commission's proposal to increase the current SSI $20 monthly income disregard to $50. Administration witnesses, in addition to commenting on provisions in the Commission's report that affect the SSI program, have been asked to address the Administration's proposal to delay for 6 months the automatic cost-of-living adjustment in SSI benefits.

Chairman FORD. The Subcommittee on Public Assistance and Unemployment Compensation will come to order.

The afternoon session has been called to hear from members of the Commission on Social Security as well as the administration on the topic of SSI and social security. We have had both members of

the Commission, the honorable distinguished Representative from the State of Florida, who chaired the Aging Committee, and now chairs the powerful and prestigious Rules Committee in the Congress, Mr. Claude Pepper, along with Commissioner Ball, who will be our leadoff witnesses today.

The two of you have already appeared before the full Committee on Ways and Means. There were some questions that we had about the SSI provisions within the social security legislation that will be forthcoming.

Members of the National Commission on Social Security Reform have been asked to address, No. 1, the intended linkage, if any, between the proposed 6-month delay in the automatic cost of living adjustment in the OASDI benefits, and the automatic cost of living adjustment in the SSI benefits; and, two, the Commission's proposal to increase the current SSI $20 monthly income disregard to $50.

Also, the administration witnesses, in addition to commenting on the provisions in the Commission's report that affect the SSI program, have been asked to address the administration's proposal to delay for 6 months the automatic cost-of-living increase in SSI.

Mr. Pepper, we are delighted to have you before the subcommittee today. We are, in fact, concerned about the 6-month delay in the COLA as the Commission has recommended for the social security recipients. We are also concerned about the intent of the Commission's report as it relates to the COLA delay for SSI.

In receiving the report and in hearing from members of the Commission before the full committee it was indicated that early on they did not address that particular issue. And we know that the dual recipients of both SSI and social security is one problem that we address with the increase from $20 to $50 in the disregard area. But we also are concerned about the 2 million recipients who receive nothing but the supplemental security income. We would like to address that particular issue today to get a clearer understanding as to the report that has been submitted by the Commission and the recommendations that have been made by the Commission.

At this time, Mr. Chairman, we will hear from you, but I would like to yield to the ranking minority member of the subcommittee, Mr. Campbell, if there are any opening remarks that he would like to have at this time.

Mr. CAMPBELL. Thank you, Mr. Chairman, and Chairman Pepper, and Mr. Ball. I certainly want to welcome you. We look forward to your testimony.

This is an area that is of concern to us. And since the Commission report was silent on it, what you have to say will go a great ways toward solving our dilemma.

Chairman FORD. Mr. Pepper, at this time the Chair will recognize you. And just for our record, we just want to make sure that the linkage between SSI and social security and that COLA delay is an area we really would like to discuss today and get a clear understanding for this subcommittee to move, and to report to the full committee on this action.

**STATEMENT OF HON. CLAUDE PEPPER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA; CHAIRMAN, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES; AND MEMBER, NATIONAL COMMISSION OF SOCIAL SECURITY REFORM**

Mr. PEPPER. Mr. Chairman and members of the subcommittee, thank you very much for your kind words of welcome and introduction.

Mr. Chairman, it is a privilege to be with you. You served with great distinction for many years on the Aging Committee, of which I then had the honor to be chairman, and I appreciate all of the great work you have done and are doing.

I am glad to be here with the Honorable Robert Ball as a member of the Social Security Commission. I think I can express the sentiment of every member of that Commission that one of the most valuable members of that Commission, without whom we never could have put together the package that we are offering to the Congress and the country, is Mr. Robert Ball. Mr. Ball is one of the most knowledgeable men in the country in the area of social security, having been for 12 years, under three Presidents, Social Security Commissioner of our country.

Mr. Chairman, there is a very definite linkage between the COLA or cost-of-living adjustment cut of 6 months included in the recommendations of the National Commission and the increase in the amount of SSI assistance that a low-income social security beneficiary would receive; namely, $30 a month.

We five members of the Commission appointed by the Democratic Party of whom Mr. Ball was one of the outstanding members, fought to the very end to try to prevent any cut in the COLA. There were members of the Commission who wanted to cut out the COLA altogether. Others wanted to freeze it for a year. Some of us were trying to prevent it being cut at all, and finally agreed to offer as a compromise a 3-month delay. We eventually had to agree to a 6-month delay because in order to get a consensus, the components of the package had to include financing from different sources, to make up the total.

As you know, the Commission had agreed that we would not make the mistake that Congress made in 1977 and not anticipate the possibility of poor economic performance. We did not provide for that possibility in 1977, and the result is that we have a shortage in the proceeds of the old age and survivors insurance fund. We tried to agree on a package that would cover two problem periods identified by the Commission, a short-range and a long-range problem. The short-range problem occurs during the years 1983–89, before a current law scheduled tax increase and the entrance of the baby boom generation into the work force combine to produce a surplus, beginning in the year 1990. The long-range problem, of which we are much less certain, is estimated to begin about 45 years from now.

The Commission found after careful inquiry that if the economy performed according to the best guess assumptions, known technically as the II–B estimate, there would be a shortfall of about $60 billion during the short range, or about 2 percent of program ex-

penditures. But if the the economy performed according to pessimistic assumptions, the so-called alternative III assumptions, we might require as much as $150 billion to $200 billion by the end of the 6-year period from 1983 to 1989.

So we strove to put together sources of revenue which would yield at least $150 billion. The package we submitted produces $168 billion under the intermediate assumptions, and would generate $180 billion under the pessimistic assumptions. So we have taken into account the possibility that we might in the future, have a very bad economy with which we had to contend.

Now, in making up that package, it was felt by a majority of the members of the Commission that they therefore had to have savings which would result from a one-time, 6-month freeze of the COLA, the cost-of-living adjustment.

We knew that that would have a very serious impact upon a great many people in the country. The average social security check, of which there are 36 million every month issued by the Government, is about $400. If one were receiving the average benefit, the amount of the reduction that one would experience because of that 6-month COLA cut would be $20 a month or a total of $120 over the 6-month period.

For millions of beneficiaries $120 is a substantial amount of money. We regard this one-time COLA delay as part of the price we had to pay in order to get a social security system that would be solvent and sound for 75 years. With that one exception, the Commission agreement would make the system solvent and sound without any cuts in benefits.

With respect to the long-range problem, many members of the Commission felt that we should change the current law in preparation for a shortage estimated to begin in the year 2025 or 2035. I wanted to focus our consideration on the next 50 years because Mr. Myers, the executive director of the Commission, advised the Commission several times that the current law tax structure would keep the social security fund solvent and sound for 50 years once we got past the short-range problem.

So it was only the 25 years of the 75-years estimates over which we could not agree. We did agree on how to meet the problem of the short-range problem. We also agreed on solutions to more than two-thirds of the long-range problems but we could not agree on what to do in order to close that final gap. So the chairman, not wanting to split the rest of the agreement, allowed the Commission to file two supplemental reports. One of them was filed by eight Republican-appointed members and the other was filed by the Democratic five that have been working together.

The report of our Democratic five was skeptical of the necessity to make long-term changes in benefits, so we provided for a small contingency tax increase of 0.46 percent in the year 2015. If the estimate of a long-term deficit proves to be accurate, our recommendation provides sufficient revenue to meet the system's needs.

The other members of the Commission recommended that we raise the age of eligibility, which is just another way of cutting benefits. And we earnestly hope, as I pledged and I am sure Mr. Ball did before the full Ways and Means Committee, that we do not accept that recommendation. Let us not break the success that we

had in keeping any cuts in social security benefits from occurring at any other place in the bill except this one-time COLA delay which is only temporary.

I also said before the Ways and Means Committee that I could not go along with any changes in the formula bend point that caculates how much social security benefits you get. Under current law, the bend points are indexed so that the same replacement rate will be in effect for 75 years from now, unless Congress comes along and changes it. So the real level of benefits will remain stable in the future unless you alter the indexing to try and slow it down. That is nothing but an across-the-board benefit cut.

That is how we arrived at this compromise package. If there are no long-term cuts added to it, we can say that we have made social security solvent over the long run, with no cuts in benefits beyond a one-time, 6-month COLA delay. But the Democratic five wanted to protect the most vulnerable of those affected by the COLA delay. Finally, we found another source from which we could get a little help for people at the low end who would lose their COLA for 6 months. These were social security beneficiaries receiving no more than $320 a month.

We all know that the SSI maximum Federal benefit is $305, and if you receive other income, SSI will pay you whatever the difference is between that income and $305. Under current law, there is a $20 per month income disregard so that, in effect, you could keep up to $20 of any other income you were receiving. The Commission agreement would raise that to $50 a month.

As a result, those people who were getting the lowest social security benefits, and, therefore, receiving SSI at the same time are now made eligible to receive $30 a month more. Our intention is that these people in the low bracket will actually come out better. On one hand, they will not lose as much in terms of dollars as higher-income recipients would lose due to the COLA cut; on the other hand, this loss will be more than offset by this arrangement that we have made.

I say to the subcommittee that the one change which permitted some of us to make this sacrifice of the 6-month COLA delay was this provision. The knowledge that the people who are the neediest, the people that needed help the most, would get a $30 a month increase in the amount of money that they would receive was a source of some solace at least, some sort of amelioration of our regret of having to accept the 6-month cut. We intended that these people, dual social security/SSI recipients would get $30 a month more than they previously received. That is one way that we tried to offset the untoward effects of the COLA cut of 6 months.

Chairman FORD. Mr. Chairman, I want to hear from Commissioner Ball, but you were right into an area that I really want to raise one question to you.

When the Commission made that recommendation, you have talked about those at the lower end in response to the disregard from $20 to $50. But what was the intent concerning those SSI recipients who are not receiving social security who the disregard would not affect? In other words, the disregard would only affect those who are receiving social security payments.

Mr. PEPPER. And SSI.

Chairman FORD. But there are 2 million people who are recipients of SSI and SSI alone. And in other words, the Commission reported out and designed to help those who were receiving both with the disregard.

Mr. PEPPER. That is correct.

Chairman FORD. Commissioner Ball, you were about to say something. I am concerned now about the 2 million people who are not recipients of social security.

Mr. BALL. Mr. Chairman, I want to carefully distinguish between what the Commission agreed to and what it left open for all of us to solve together. The only thing that was agreed to by the Commission were matters that affected social security; that is, OASDI. It was taken sort of as at least a negotiating stance on both sides, that we would not make recommendations that dealt with something other than old age, survivors, and disability insurance.

So the fact that the disregard applied only to social security recipients in the agreement was part of that stance. If we had gone so far as to say that the disregard in general should have been increased, as you point out, it would affect a couple of million people who were not OASDI beneficiaries at all.

Now, we did not say not to do that. Within the agreement, however, it is just the dual beneficiaries. Now, I as an individual——

Chairman FORD. But it is going to affect the SSI recipients. I mean whatever happened to the delay in the COLA? Unless there is some amendment or stipulation within the legislation that we are talking about to remove that 6-month delay, it will affect the SSI recipient.

Mr. BALL. No; it was very, very clear in the agreement that there was no agreement to delay the COLA for SSI recipients. There was no agreement to do it, or no agreement not to do it. It was just left out of the Commission's negotiation entirely.

And I was about to say, Mr. Chairman, as an individual and I am sure that it would be true probably of all five of us, the group that Senator Pepper has described, that going beyond the agreement, which is not violating the agreement at all, because we just left it open, that we would say that it was highly undesirable to move the COLA 6 months for SSI recipients, and that I would go so far as to say also that it would be desirable if the disregard had applied to all income, not just social security income.

But I want to be very clear with you that that is not the agreement. The agreement goes so far, and then we are free to disagree on some other things. I oppose the administration's proposal to move the COLA for SSI, and it is not part of an agreement that it should be moved.

Chairman FORD. You know, if we would accept the Commission's recommendation on the full committee in the Congress, then it would affect SSI recipients. They would have the COLA delayed for a period of 6 months.

Mr. BALL. Not necessarily, Mr. Chairman. It depends upon how you draft it.

Chairman FORD. I am saying if we accepted the recommendation of the Commission.

Mr. BALL. No. If you accepted the recommendation from the Commission, it would not necessarily move the COLA for SSI recipients at all. It would move it only for social security beneficiaries.

Now, I recognize that there is a problem. If you do not keep the two together, you have a difficulty in the future if you raise SSI in relation to a cost of living at a different time.

Chairman FORD. SSI recipients are affected in whatever changes are made with social security because in the increase whatever percentage rate might be, it will affect the SSI recipients. And if the COLA delays for 6 months for social security, it will be a 6-month delay for SSI recipients unless we in the Congress stipulate that it would not apply to SSI recipients.

Mr. BALL. Certainly.

Chairman FORD. The $30 increase in the disregard for the social security recipients would not affect the 2 million people who receive SSI alone.

Mr. BALL. I do not think we are having any disagreement. I am trying to clarify and make the distinction.

Chairman FORD. In other words, the administration has proposed a 6-month delay in the SSI COLA.

Mr. BALL. To which I am opposed and to which the Commission did not speak. That is the point. The Commission did not say one way or another on that, and it probably would have divided. But I think you could be quite confident that the five of us who were the Democratic appointees would be opposed to that, and the Commission took no stand on it.

Now, therefore, I would certainly think it would be highly desirable to make the July 3 payment to the SSI recipients and not postpone it 6 months for them. That is not part of the agreement, but it is an independent position over and beyond the agreement.

Mr. PEPPER. Mr. Chairman, I was not sure as to whether our agreement applied to social security recipients in the low brackets who also receive SSI. I had the impression that it did apply and that the $30 was our way of trying to compensate.

Chairman FORD. In other words, the $30 you thought was a way to compensate those in the lower bracket in receiving SSI?

Mr. PEPPER. That is right. They would be subjected to the 6-month COLA delay in social security, but we compensate them. We give them more than they would lose in OASDI by providing the $30 disregard. The $30 a month may or may not be sufficent if the SSI cost-of-living was also delayed; we did not recommend that. The 6-month COLA delay in SSI is an administration budget recommendation which I oppose. The Commission simply did not deal with that question. As Mr. Ball said, we did not deal with anything except things related to social security.

Now, nothing would please me better than to see you increase the $20 disregard to people regardless of whether they receive social security or not, by definition, they are in the low income groups. I introduced legislation in the 97th Congress, H.R. 3394, which embodied this proposal of an increased disregard, indexed in the future for increase in the CPI. I would like to see the $20 extended to $50 for everybody in the low-income group.

After all, that means anybody getting less than $305 a month. Even with this change you are not bringing them up to the Federal Government's poverty level of income.

But for our immediate question here of whether the proposed social security COLA delay is intended to affect SSI, we are just dealing with social security. The COLA delay proposal did not extend to SSI. And we intended to soften the impact of the OASDI COLA cut by adding this $30 a month on to those who receive social security and SSI.

Mr. BALL. Mr. Chairman, Senator Pepper is, of course, correct that the reason——

Chairman FORD. Mr. Ball, would it have the same effect if the 2 million SSI recipients, say, if the disregard, the $30 disregard, would apply to the SSI recipients and SSI recipients alone? I am not speaking of those with the dual compensation of social security and SSI, but if we had an increase in the SSI compensation by $30, that they would only be compensated in lieu of a COLA, a cost of living adjustment increase?

Mr. BALL. You are talking about the SSI recipients, not social security beneficiaries?

Chairman FORD. No. Chairman Pepper mentioned 1 minute ago that it would let the disregard apply to SSI recipients. We are talking about the 2 million people who are not dual recipients, only in the SSI program. Now, if we add the $30 disregard to apply to the SSI recipients, would that make up the difference?

Mr. PEPPER. They do not get the $30 unless they——

Chairman FORD. It would increase the benefits by $30. But I am asking would that make up the difference? The question is whether it would have the same effect if the $30 disregard was an increase of $30 in the SSI check if you increased it by $30?

Mr. BALL. If I am following you, Mr. Chairman, if the $30 is to apply not only to social security income but also to the SSI recipients who are not social security recipients, obviously it cannot apply to them unless you apply it to some income other than social security, because they are not social security recipients.

If you do that, I think it is highly desirable. It was not spoken to, one way or another by the Commission, and it of course would cost more money. But I think it would be worth it, and a good thing to do.

Now, on the COLA shift, I think——

Chairman FORD. You do understand the dilemma that we are in with jurisdiction in this committee over SSI. We are trying to protect those recipients because the administration has proposed now a delay in the SSI benefits. And the question that Chairman Pepper has brought up, let the $30 disregard apply to the SSI recipients——

Mr. BALL. Who are not social security beneficiaries.

Chairman FORD. Who are not social security beneficiaries, that is correct.

Mr. BALL. Which is to say you would take the present provision as it exists, which applies to social security and other income, and you would raise that by $30. Now, my answer to that is, I think it is a fine idea. I am 100 percent for it. But I have to testify that it

was not part of the Commission's recommendation to go that far. But it is a very good thing to do.

Mr. PEPPER. Mr. Chairman, I would like to make one further recommendation to your distinguished committee, if I may. The social security package from the Commission contains provision that, beginning in 1988, if the trust fund contains less than 20 percent of the following year's outlays then the method of determining the cost of living adjustment will change from the CPI to the wage increase, if the latter is the lower of the two. And during that period, in order to build up the trust fund, they would use the wage increase, which is presumably lower than the CPI increase.

When the trust fund reserves were built up to an adequate amount, then the package provides that SSA would try to go back and reimburse the social security recipient to the extent that he had received lower benefits on account of that change.

Now, I was going to suggest to your distinguished committee that one thing you could do to help the people in the low income groups especially, would be to provide something similar to that in relation to the switch to a calendar year COLA. If the economy is such that it does not require $168 billion and there is a sizable surplus in the funds that we provided above what should be in there as a trust fund, then Congress could provide a mechanism to, insofar as possible, reimburse these people who were denied that COLA, as much as we can.

I am just suggesting that. That is not part of the package. But it is analogous to a precedent that is in the package.

Now, Mr. Ball might wish to comment on that. I may not be correct in my surmise, but that is just an idea of mine.

Chairman FORD. I guess one final question is I just want to clarify for the record the 6-month delay that was recommended by the Commission on Social Security, and the $30 additional in the disregard. Was that to offset the delay?

Mr. PEPPER. No, that was simply a way of raising more revenue for the social security package to put more money into the fund to meet the demands of old age and survivor's insurance fund. And they saved——

Chairman FORD. But was it to offset the losses of the delay, the $30 disregard I am speaking of, Mr. Chairman.

Mr. PEPPER. The disregard cost more money.

Chairman FORD. I understand. What the additional $30 and the disregard, was that to offset the delay in social security in the COLA?

Mr. PEPPER. It had that effect.

Chairman FORD. It has that effect.

Mr. PEPPER. It had that effect of compensating people who are in the lowest income brackets.

Chairman FORD. So it was not to offset the SSI, I am speaking of. It was not to offset in delaying the SSI benefits.

Mr. PEPPER. Oh, no, we knew the SSI increase would cost more money to the Government, but it was a way of sort of offsetting the 6-month delay that we were causing on account of the need to raise more money, or save some more money.

Mr. BALL. Mr. Chairman, at some point are you going to ask me to give kind of an organized presentation?

Chairman FORD. Yes; I am sorry I did not yield to you earlier.

Mr. BALL. No, I just keep intervening at point after point, and it seems to me it might be better

Chairman FORD. What I was doing, because I did not know the timeframe that Chairman Pepper is working under. I think he indicated earlier that he had to leave, and that is why I wanted to get those questions to the chairman before he left, since we had two members of the Commission present with us, and I was doing that. And I knew I had Mr. Campbell and Mr. Moore who might want to. I do not know if I would yield at this time if you would like to raise questions to Chairman Pepper and Commissioner Ball. I know that you have worked out some time anyway with us, and I wanted to try to give the chairman an opportunity to respond to some of the questions that we have for him.

Mr. MOORE. Mr. Pepper, it is good to have you with us. We are always glad to have you come before our committee, and I think the gentleman from Florida is absolutely correct. It is not my understanding that the delay in the SSI COLA has anything to do with the Commission's report. This is a budgetary consideration that the President gave us in his budget that this House may or may not pass. I see we all agree, so that is the only question I had.

Chairman FORD. Well, I think the administration has also mentioned that the $30 increase in the disregard was to make up for the 6-month delay in the COLA for SSI recipients.

Mr. PEPPER. It was to make up for the 6-month delay in the OASDI, that is social security, COLA. We made no recommendation about extending the disregard increase to SSI people not getting OASDI, although I would be for that. The administration is proposing a 6-month delay in the SSI cost-of-living adjustment because of liberalized disregard the Commission recommended.

Mr. MOORE. Commissioner Ball, you are shaking your head as if you are not sure about the chairman's statement.

Mr. BALL. The chairman is saying that the administration had indicated that the increase in the disregard was related to the proposal to move the SSI forward 6 months. It is not true in relation to the Commission.

Now, they may want to connect it in their own mind; that is up to them. But the Commission made no such connection.

Chairman FORD. Well, that was one of the things we wanted to get clarified, because the administration will be at the witness table right after the two Commission members leave, and I just want to make it clear before they testify before the committee. Mr. Pepper, Mr. Campbell had to leave but, Mr. Pepper, you may be excused at this point.

Mr. PEPPER. Thank you very much, Mr. Chairman, and Mr. Moore.

Chairman FORD. Thank you, Mr. Chairman, for coming to us and being before us today.

Commissioner Ball, the committee will recognize you at this time now for any opening remarks or statements you would like to make.

**STATEMENT OF ROBERT M. BALL, MEMBER, NATIONAL COMMISSION OF SOCIAL SECURITY REFORM (FORMER COMMISSIONER OF SOCIAL SECURITY)**

Mr. BALL. Mr. Chairman, I do realize that the committee, in dealing with the effect of these changes on SSI recipients, has a difficult problem, and I want to be very clear in distinguishing between two different proposals, the change in the COLA and the increase in the disregard. Then I want to be very clear about what is part of the agreed upon package within the Commission's report, and then what seems to me completely open territory for people to take positions on without abrogating that agreement in any way.

Let me deal first with the question of the movement of the social security cost-of-living adjustment 6 months. That clearly is to apply to all social security recipients. In the course of the negotiations, as part of the agreement on that, it was also agreed that SSI recipients who were social security beneficiaries would have an increase in the disregard—just for social security benefits—from $20 to $50.

Now, we had been arguing—the five of us appointed by Democrats—had been arguing that it ought to apply more broadly and that you ought to just increase the $20 disregard that is in present law and apply it to all income. We were persuaded by the technical point that that went beyond the Commission's focus on social security beneficiaries because that would then deal with a large number of SSI recipients who were not social security beneficiaries. So we agreed to not make the broader proposal a part of our package.

We did not agree, however, that it should not apply to all SSI recipients; we just agreed not to address that broader question. So now I want to say to you that I think it would be much better if the subcommittee and the full committee and the Congress kept the present structure of the disregard and applied it not just to social security recipients, but have that increase from $20 to $50 applied more broadly so that it would include low income people who get railroad retirement benefits or civil service benefits or had small amounts of income from other sources.

It was not our intention to try to foreclose that. It was our intention not to decide it.

Chairman FORD. Commissioner, I do not want to cut you off, but what about those recipients without any income at all?

Mr. BALL. Well, that really was never reached in the discussion. We did not—maybe we should have—but we did not consider it our function to see how to improve the SSI program as such. Now, I would be very happy to support such improvement as an individual, but the Commission did not address it.

Then, on the question of the cost-of-living adjustment itself, we confined our recommendation entirely to moving the social security COLA, leaving open the question of whether the SSI COLA should be moved. Again being clear that it is not part of the agreement, I want to say as strongly as I know how, that I think you should not move this year's supplemental security income COLA adjustment, but I recognize that——

Chairman FORD. Repeat that again.

Mr. BALL. I am saying that the agreement of the Commission did not include one way or the other whether the SSI cost of living ad-

justment should be moved. Only the social security cost-of-living adjustment was part of the recommendation. And we are free, without breaking any agreement, to differ with each other on the question of whether the SSI cost-of-living adjustment should move, and I just wanted to register my own personal belief that that is undesirable and that you should provide that the payment be made on July 3 for SSI recipients, as it is under present law.

Now, I was going on to say that I recognize that as part of permanent law, you create real difficulties in the treatment of people if the SSI COLA continues in one month and the social security COLA continues in a different month because you could raise the people on supplemental security income in July, and then when social security is raised in January you would take back what you had given in July. So it could be a real problem.

So what I was going to suggest, and I am being clear, am I not, that this is not part of the Commission agreement; I am just making a personal suggestion. And that is that you pay the SSI COLA this July 3, and then keep social security and SSI together, always paying it in January from then on. Which means you would pay another cost-of-living adjustment to the SSI people in January 1984.

That does not seem to me excessive when you consider the level at which this program is. And I do think you would have a serious problem if you keep one into the future in July and the other into the future in January. But because of that necessity of structure, I do not think the SSI people ought to be asked to sacrifice the July 1983 COLA.

Chairman FORD. We could bring them in line in January and make it a uniform type of cost-of-living COLA, balance it with the social security in January. I do not think that would be a problem.

Mr. BALL. But I am urging that you go ahead and make the payment in July and not skip that one.

Chairman FORD. And then adjust it in January to blend in?

Mr. BALL. Yes, and that means another one in January. Those are the main points that I wanted to make to you, distinguishing between the Commission's not dealing with anything beyond the social security recipient and yet my feeling that, of course, you have to address these questions, and also give you my personal views on these issues.

Chairman FORD. If we delay the COLA and social security without addressing the problem of SSI it would affect it, and that is why this subcommittee would have to make a recommendation to the full committee as to what we will be doing, as it relates to SSI recipients. And that is our concern. We know that the Commission did not make any recommendation and did not deal with the SSI recipients, other than the increase of $30 in the disregard. We need to make some recommendations to the committee.

Mr. BALL. Yes. And my recommendation to you is to make the payment in July to the SSI recipients and then again in January at the same time as social security, keeping them together permanently.

Chairman FORD. Mr. Moore.

Mr. MOORE. Thank you, Mr. Chairman. Mr. Commissioner, I understand fully that that was your personal opinion, and not that of

the Commission. Following up on that, do you have any idea what the cost would be to go ahead and pay the COLA for SSI when it is regularly due, plus another one in January?

Mr. BALL. Well, we need to know first what the cost-of-living adjustment is going to be. I am guessing now that it is probably going to be about 3½ percent. The budget carries a higher figure, I believe, but we will not know for a couple of months. But it begins to look like it might be around 3½. There are some who are even concerned that maybe it will not trigger because it might be less than 3. I think that is unlikely but possible.

I am not in too good a position to make a careful estimate, Mr. Moore, but just as a rough approach of applying 3½ percent to the size of payments in a recent month and multiplying by 6 months, the additional cost looks to me to be around $180 million. But you are entitled to a more professional answer than that, and I am sure there are people in the room here who could give it to you.

Mr. MOORE. Staff shows me that if we had the 6-month delay of the COLA, the opposite of what you are proposing, that would save at present levels $100 million. So if we added the $100 million you would save versus $180 million with pay, you are talking about $280 million, or one-quarter of a billion dollars that we would be losing in going your way, versus the way of the proposal.

Mr. BALL. Well, there is something wrong with that. I was looking at the budget numbers and they, of course, are assuming you move the COLA to January, and so you save that money, and then they put in the offsetting cost of going from $20 to $50. So the saving from moving the COLA is already in the budget. What does it cost in addition, to pay it in July?

I suppose it is the $100 million referred to, and I was high on the $180.

Mr. MOORE. What you are proposing obviously will cost more than what the administration is proposing. They are proposing a savings of $100 million a year and you are proposing an additional expenditure. So to me, you add the two together in terms of the difference in the impact in the budget.

Mr. BALL. But it does not seem to be quite fair to count as a savings something that has not happened.

Mr. MOORE. If we pass it, you are right. We are trying to make a decision: Do we pay the COLA or do we not? And if we do not pay the COLA, if we delay it 6 months, I see a savings perhaps of $100 million, according to what the staff has come up with.

Mr. BALL. Then to make the payment I would think would cost $100 million, wouldn't it?

Mr. MOORE. It would cost $100 million, but the second payment on top of that is what we are talking about.

Mr. BALL. Now, the second payment on top of that, they have already provided for in the budget. They are proposing to make the payment in January, so that is already provided for. I should not have gotten into this business. If I had answered you in the first place, that what I am proposing would cost $100 million—it seems to me that is right.

Mr. MOORE. OK. Again, we have our problems with the budget. Let me ask you this, the thing that concerns me is the fact that an awful lot of people on social security back home are willing to go

along with that delay in their COLA, to help save their system and whatever. But they have also made the comment that they think everybody else ought to go along with delays in their COLA's.

We hear a lot of talk about fairness. Why would it not be fair to see the Federal employees, to see the retirees, to see the SSI recipients and all the rest have a delay in their COLA just as social security recipients are being asked to do?

Mr. BALL. I would make a distinction, Mr. Moore, between the means-tested programs where you are dealing with a group of people living, in most States, below the poverty level and these other systems that you referred to. I support the idea of moving the cost of living adjustment for the civil service retirement, for the railroad retirement, for non-means-tested programs like that, but I do not think the same reasoning applies to food stamps or to SSI or to other means-tested programs.

Mr. MOORE. Well, I am glad to see you do see the value in a delay in those other programs.

Mr. BALL. The same delay, though, 6-months. I cannot quite see why all of a sudden it comes through as 1 year for these other programs.

Mr. MOORE. Thank you.

Chairman FORD. Commissioner Ball, I want to thank you for coming before the committee, but if you do not mind, would you please stay here for another 30 minutes with us? There just might be some other questions. The administration is going to come to the witness table now, and if we are not imposing too much on you, I would like to ask that you stay for a few minutes in case there are some other questions and information that we might need.

Mr. BALL. I would be very glad to stay, Mr. Chairman.

Chairman FORD. We appreciate it very much.

We will now hear from Mr. Louis D. Enoff, Deputy to the Deputy Commissioner of Social Security of the Department of Health and Human Services. We want to welcome you to the committee and thank you for coming before the committee. We are delighted to have you.

**STATEMENT OF LOUIS D. ENOFF, DEPUTY TO THE DEPUTY COMMISSIONER OF SOCIAL SECURITY, ACCOMPANIED BY SANDY CRANK, ASSOCIATE COMMISSIONER FOR OPERATIONAL POLICY AND PROCEDURE, AND LARRY THOMPSON, DIRECTOR, OFFICE OF RESEARCH AND STATISTICS**

Mr. ENOFF. I am delighted to be here to sit in the chair of former Commissioner Ball.

Chairman FORD. The committee will recognize you at this time for your opening statement.

Mr. ENOFF. I might say that accompanying me this afternoon on my left is Mr. Sandy Crank who is our Associate Commissioner for Operational Policy and Procedure.

Chairman FORD. What is the last name, again?

Mr. ENOFF. Mr. Crank. On my right is Mr. Larry Thompson who is the Director of our Office of Research and Statistics. I do have a prepared statement which I believe you have received, and if it is

all right with you, I think it would put us on the record as to our position.

Chairman FORD. It will be made a part of the record.

Mr. ENOFF. I would just go through that, if you would like.

Chairman FORD. That will be fine. You may proceed.

Mr. ENOFF. Again, I thank you for the opportunity to appear before your subcommittee. I want to address two proposed changes to the SSI program, as you have asked. One of the changes, an increase in the amount of social security benefits that may be disregarded for SSI purposes is, as you have heard, recommended by the National Commission on Social Security Reform in connection with its proposal to delay the social security cost-of-living adjustment.

The other change is a postponement of the SSI COLA for 6 months. The SSI COLA delay is included in the President's budget for fiscal year 1984 as a part of a governmentwide plan to postpone cost-of-living adjustments in Federal benefits. The National Commission, as you have already heard this afternoon, did not address the SSI COLA.

First, I would like to talk about the National Commission's proposal. The increased income disregard mitigates the effects that the proposal to delay the social security cost-of-living adjustment would have on needy social security beneficiaries. Specifically, the bipartisan agreement would provide that social security beneficiaries who also receive SSI benefits be able to exclude an additional $30 per month of their social security benefits in computing their SSI benefits.

In effect, this proposal would provide a $30 increase in the monthly income of the 2 million SSI beneficiaries who also receive social security benefits beginning with July 1983.

The disregard of social security benefits is not a new idea. There has always been a special disregard in the SSI program, primarily designed to make sure that SSI beneficiaries who also get social security benefits receive a higher amount than those who only receive SSI. This provision was intended originally to give some recognition to a recipient's other income, especially social security benefits which are based on work and taxes.

This proposed change in the SSI disregard is part of the bipartisan National Commission agreement, and as such is supported by the administration.

Turning to moving the SSI COLA to a calendar year cycle, it is important to remember that delaying the SSI COLA is an integral part of a proposed governmentwide postponement of increases in indexed Federal benefit programs. In order to achieve economic recovery, Federal expenditures must be controlled, and annual deficits must be reduced.

To help achieve this, the President is proposing a change in the effective dates of increases in Federal benefit programs and Federal salaries. Using estimates included in the administration's budget, the cost-of-living adjustment that is due in July under current law would be about 5 percent. That would be the lowest percentage COLA made in SSI benefits since cost-of-living adjustments were first provided in July 1975.

The progress this administration has made in bringing down inflation minimizes the effect of a delay in the cost-of-living adjust-

ment at this time. We recognize the importance of cost-of-living adjustments in the SSI program. Cost-of-living adjustments keep SSI recipients at their current level of purchasing power. These cost-of-living adjustments have caused SSI as well as social security benefits to increase at a much faster rate than average wages have increased. The SSI benefit standards has increased by about 95 percent over what it was in June 1975 just prior to the first COLA. Over the same period, average wages have increased by just about 70 percent.

Finally, while they are not connected, the adoption of the $30 disregard would more than offset the COLA delay for dual social security beneficiaries.

There is another consideration to moving the SSI COLA to a calendar year basis. I believe Commissioner Ball referred to that, and that is keeping it coordinated with the social security cost-of-living adjustment. It is desirable to make the social security adjustment at the same time the SSI cost-of-living adjustment is made. If the social security adjustment but not the SSI adjustment were made in January, the result would be a cyclical pattern of SSI benefit increases and decreases for SSI recipients entitled to social security. The SSI benefit would go up when the SSI cost-of-living adjustment is made. It would subsequently go down following the social security adjustment.

Also, if social security and SSI COLA's are not concurrent, some people would be eligible for 6 months and ineligible for 6 months out of every year. The up-and-down effect would be confusing and disturbing to SSI beneficiaries. Their total incomes would increase only after the SSI cost-of-living adjustment. SSI beneficiaries who also receive social security would not receive higher total incomes, as other social security beneficiaries would, following the social security cost-of-living adjustment. Instead, the social security increase would be offset by an SSI benefit decrease.

SSI recipients who also receive social security would be notified in December that their SSI benefits would be reduced in January on account of the social security COLA. This due process notice is required to permit recipients to question the reduction. If protested, the reduction cannot be made until a review is conducted.

Our field resources would be strained by additional work involved in handling these appeals, and collecting any overpayments; that is, excess benefits that were paid pending the review of the request.

Also, the lack of coordination between social security and SSI COLA's would increase medicaid costs because some people who would be eligible for SSI for 6 months out of every year would also become eligible for medicaid. Their medicaid eligibility would continue year round, though, because of a provision that protects the medicaid eligibility of people who become ineligible for SSI because of a social security COLA.

Also, the lack of coordination between the cost of living adjustments would increase the current system's workload. You have already heard enough about our strained system to recognize the potential consequences of compounding this workload. I would just point out to you in your deliberations, that any changes that are to be made in the social security and SSI COLA's currently scheduled

for July, would require advance notice, of course, to make the systems changes. May 7 is the date by which we need to know whether or not to pay a COLA. We need to know the rate of the COLA by April 22, and in order to implement the proposed change in disregard we need 120 days advance notice.

In conclusion, Mr. Chairman, I would like to restate the administration's endorsement of the bipartisan agreement to restore social security to a sound financial basis, including the recommendations to move the social security cost-of-living adjustment to a calendar year basis and to increase the amount of social security benefits that can be excluded from income under SSI.

The administration also strongly supports a concurrent move of the SSI COLA to a calendar year basis.

I would be happy to try to respond to any questions you may have.

[The prepared statement follows:]

STATEMENT OF LOUIS D. ENOFF, DEPUTY TO THE DEPUTY COMMISSIONER FOR PROGRAMS, SOCIAL SECURITY ADMINISTRATION

Mr. Chairman and members of the subcommittee, thank you for the opportunity to be here today to discuss two proposed changes to the SSI program.

One of the changes—an increase in the amount of Social Security benefits that may be disregarded for SSI purposes—is recommended by the National Commission on Social Security Reform in connection with its proposal to delay the Social Security cost-of-living adjustment (COLA).

The other change is a postponement of the SSI COLA for 6 months. The SSI COLA delay is included in the President's budget for FY 1984 as part of a Government-wide plan to postpone cost-of-living adjustments in Federal benefits. The National Commission did not address the SSI COLA.

BIPARTISAN AGREEMENT FOR INCREASED INCOME DISREGARD

First, I would like to talk about the National Commission's proposal. The increased income disregard mitigates the effects that the proposal to delay the Social Security cost-of-living adjustment would have on needy Social Security beneficiaries. Specifically, the bipartisan agreement would provide that Social Security beneficiaries who also receive SSI benefits be able to exclude an additional $30 per month of their Social Security benefits in computing their SSI benefits. In effect, this proposal would provide a $30 increase in the monthly incomes of the 2 million SSI beneficiaries who also receive Social Security benefits, beginning with July 1983.

The disregard of Social Security benefits is not a new idea. There has always been a special disregard in the SSI program, primarily designed to make sure that SSI beneficiaries who also get Social Security benefits receive a higher amount than those who only receive SSI. This provision was intended to give some recognition to a recipient's other income, especially Social Security benefits which are based on work and taxes.

This proposed change in the SSI disregard is part of the bipartisan National Commission agreement and, as such, is supported by the administration.

ADMINISTRATION'S PROPOSAL TO PLACE THE SSI COST-OF-LIVING ADJUSTMENT ON A CALENDAR YEAR BASIS

Turning to moving the SSI COLA to a calendar year cycle, it is important to remember that delaying the SSI COLA is an integral part of a proposed Government-wide postponement of increases in indexed Federal benefit programs. In order to achieve economic recovery, Federal expenditures must be controlled and annual deficits must be reduced. To help achieve this, the President is proposing a change in the effective dates of increases in Federal benefit programs and Federal salaries.

Using estimates included in the Administration's budget, the cost-of-living adjustment that is due in July under current law will be about 5 percent. That would be the lowest percentage COLA made in SSI benefits since cost-of-living adjustments were first provided in July 1975. The progress the administration has made in

bringing down inflation minimizes the effect of a delay in the cost-of-living adjustment at this time.

We recognize the importance of cost-of-living adjustments in the SSI program. Cost-of-living adjustments keep SSI recipients at their current level of purchasing power. These cost-of-living adjustments have also caused SSI—as well as Social Security—benefits to increase at a much faster rate than average wages have increased. The SSI benefit standard has increased by about 95 percent over what it was in June 1975, immediately before the first cost-of-living adjustment. Over the same period average wages have increased by just 70 percent.

Finally, the adoption of the $30 disregard would more than offset the COLA delay for dual Social Security/SSI beneficiaries.

There is another consideration to moving the SSI COLA to a calendar year basis, and that is in keeping it coordinated with the Social Security cost-of-living adjustment. It is desirable to make the Social Security adjustment at the same time the SSI cost-of-living adjustment is made. If the Social Security adjustment but not the SSI adjustment were made in January, the result would be a cyclical pattern of SSI benefit increases and decreases for SSI recipients entitled to Social Security. The SSI benefit would go up when the SSI cost-of-living adjustment is made. It would subsequently go down following the Social Security adjustment. Also, if Social Security and SSI COLA's are not concurrent, some people would be eligible for 6 months and ineligible for 6 months out of every year.

The up and down effect would be confusing and disturbing to SSI beneficiaries. Their total incomes would increase only after the SSI cost-of-living adjustment. SSI beneficiaries who also receive Social Security would not receive higher total incomes, as other Social Security beneficiaries would, following the Social Security cost-of-living adjustment. Instead, the Social Security increase would be offset by an SSI benefit decrease.

SSI recipients who also receive Social Security would be notified in December that their SSI benefits would be reduced in January on account of the Social Security COLA. This due process notice is required to permit recipients to question the reduction. If protested, the reduction cannot be made until a review is conducted. Field resources would be strained by the additional work involved in handling such appeals and collecting resulting overpayments—that is, the excess benefits paid pending the review.

Also, the lack of coordination between the cost-of-living adjustments would increase the current systems workload. You have already heard enough about our strained systems to recognize the consequences of compounding that workload.

The lack of coordination between Social Security and SSI COLA's would increase Medicaid costs because some people who would be eligible for SSI for 6 months out of every year would also become eligible for Medicaid. Their Medicaid eligibility would continue year-round, though, because of a provision of law that protects the Medicaid eligibility of people who become ineligible for SSI because of a Social Security COLA.

CONCLUSION

In conclusion, I'd like to restate the administration's endorsement of the bipartisan agreement to restore Social Security to a sound financial basis, including the recommendations to move the Social Security cost-of-living adjustment to a calendar year basis and to increase the amount of Social Security benefits that can be exluded from income under SSI. We also strongly support a concurrent move of the SSI COLA to a calendar year basis.

I would be happy to answer any questions.

Chairman FORD. Mr. Enoff, on page 3, the last paragraph, you talk about the adoption of the $30 disregard would more than offset the COLA delay for the dual social security/SSI beneficiaries. Mr. Ball and Chairman Pepper a minute ago indicated that the increase in the disregard by $30 was by no means the intent of the Commission to offset the delay in the SSI beneficiaries, and according to this statement here, it is interpreted that the administration is implying that the $30 increase was to offset the SSI beneficiaries.

Mr. ENOFF. Mr. Chairman, no, we do not mean to imply that that was the purpose. What we are saying is that the amounts of money do, in fact, more than offset. I did not intend to connect the two in

terms of the intent of the Commission. You have heard from the Commission members, and I certainly do not dispute what was said by them.

The point is that using the 5 percent figure, we are talking about a potential COLA of $13 or $14 as opposed to an additional $30 disregard. That is a monthly figure.

Chairman FORD. How do we handle the SSI recipients who are not recipients of social security and any other income, railroad pensions or whatever their income, that a recipient might have other than SSI?

Mr. ENOFF. Mr. Chairman, as I understand it, as I think has been stated by the Commission representatives, the disregard provision was only intended to deal with those SSI recipients who receive social security. It does not address the others.

Chairman FORD. What about the budget recommendations that the administration is talking about, a delay in SSI recipients and SSI recipients alone? We are talking about those who receive SSI benefits without social security or other income.

Mr. ENOFF. That is correct, Mr. Chairman. The budget proposal was included as one part of the overall proposal to delay the benefit programs and salary programs for 1 year, actually for 6 months in this case.

Chairman FORD. Two years ago the President promised the poor and the needy a safety net. Now the fiscal year 1984 budget is saying to the poor, the aged, the blind, and disabled that you no longer will have that safety net. That is the bottom line. The way I interpret the recommendation that is being made by the administration, the same President that talked about a safety net is coming to us now and saying no to the poor, to the aged, the blind, and the disabled.

Is that correct? Didn't you come before this committee some time ago and say to the members of this committee and this Congress that this administration was committed to a safety net for the poor?

Mr. ENOFF. Did I come before you, Mr. Chairman?

Chairman FORD. Yes.

Mr. ENOFF. I personally did not come before you. The administration has.

Chairman FORD. I didn't mean you personally, but the administration. I am sure, being with this administration, you have heard the administration talk about a safety net for the poor; right?

Mr. ENOFF. Yes, Mr. Chairman, I have.

Chairman FORD. Now are you removing the safety net at this particular point for the poor?

Mr. ENOFF. I believe that, as the President pointed out in his budget message, his proposal was to tackle the problem of the growth in Federal spending and that it was an across-the-board program.

Chairman FORD. But he also promised us a safety net for the poor.

Mr. ENOFF. That is correct.

Chairman FORD. Wouldn't you assume that the aged, the blind, the disabled, with an individual's income and the SSI, and SSI alone being approximately $284 per month, wouldn't you assume

that if that is the only source of income, that they would be among the poorest in this country?

Mr. ENOFF. Yes, Mr. Chairman, that is a correct assumption.

Chairman FORD. I would think that would be a correct assumption.

Mr. Moore.

Mr. MOORE. The administration is proposing in its budget, the only part of it that comes before the committee, a 6 month delay in the COLA for SSI. The administration supports that, am I not right?

Mr. ENOFF. That is correct. That is part of the budget proposal.

Mr. MOORE. And the administration is likewise, I think, although I am not familiar with all the parts of the budget, proposing a 6 month delay in any COLA across the board; is that right? Or is it longer than that in some cases?

Mr. ENOFF. That is correct.

Mr. MOORE. Six months for everybody:

Mr. ENOFF. It possibly could be longer in other portions. I am not prepared to deal with every portion of the budget, but at least 6 months. It is a year for Federal employees.

Mr. MOORE. Well, that is beyond the purview of this subcommittee, and I guess there wouldn't be any point in getting into that. But let's just take the general notion of a delay in the COLA. Now, Commissioner Ball indicated that he felt a delay in the COLA might be justified for some period for other groups, but he didn't feel it was that way, if I understood him, for needs tested programs. The administration has not chosen to follow that line of thinking and as in SSI and, I assume, any other needs test-based programs where there is a COLA talking about delaying the COLA for 6 months.

Is it the feeling of the administration that, to be fair to anybody who receives a check from the Federal Government, whether it is retirement or whether it is social security or whatever, that there be a delay in the COLA for everybody?

Mr. ENOFF. That is correct, it is across the board.

Mr. MOORE. Is it not also the case that in trying to explain this to Congressmen and trying to explain this to the public, that the administration didn't pick and choose who would be subject to a COLA but simply applied a blanket freeze or a blanket delay to everybody who has a COLA?

Mr. ENOFF. That is correct.

Mr. MOORE. To me that seems fair. I don't understand why that may be 6 months here and possibly 1 year somewhere else. I will do some looking into that, but I don't want to take up the subcommittee's time because that is not in our jurisdiction. But it seems to me that a delay, if it is good for social security is good for everybody, and I commend the administration for so doing.

Chairman FORD. One final question. The administration supports the 6-month delay in the SSI COLA, the SSI recipients alone, but also supports the increase in the disregard to $30; is that correct?

Mr. ENOFF. Yes, Mr. Chairman. The disregard increase is endorsed along with the rest of the bipartisan agreement to restore the social security trust fund, that is correct.

Chairman FORD. And members of the Commission have already indicated that it was, maybe not voted upon, but it was interpreted as being a way to offset the COLA delay in social security.

Mr. ENOFF. I can't speak for the Commission.

Chairman FORD. But I am saying you also supported the delay in SSI COLA but at the same time supported the increase in the $30 disregard, but the 2 million people who are recipients of SSI benefits, there is no support from this administration for an increase in the SSI benefits through the disregard or a COLA delay, removing the delay for the COLA for SSI recipients.

Mr. ENOFF. The administration itself has not proposed any change in the disregard. It has accepted the change in the disregard that is in the National Commission proposal and it has proposed a change in the SSI COLA as part of an across-the-board COLA change.

Chairman FORD. But that is the position of the administration itself?

Mr. ENOFF. That is correct.

Chairman FORD. Mr. Moore, do you have any further questions?

Mr. MOORE. No, Mr. Chairman.

Chairman FORD. If not, Mr. Enoff, we would like to thank you very much, you and your staff, for coming over and being with us today.

Commissioner Ball, I don't think there is any reason to call you back to the stand. We are thankful that you took the time out of your busy schedule. If you have any comment that you would like to make after hearing from the administration right now, we would be delighted to hear from you.

Mr. BALL. Well, Mr. Chairman, I would just be repeating myself. I think it is really very important to distinguish between cuts in benefits that go on the basis of past earnings and contributions such as social security and civil service. As bad as I think that is, it is part of an agreement and I stick by it. But this should be carefully distinguished, I think, from groups who are by definition living right at the edge of what is necessary to sustain life. To take anything away from them, in order to balance the budget seems to me unconscionable, and I am very much opposed to doing this in food stamps, or doing it in SSI.

Chairman FORD. Thank you, Commissioner.

Commissioner, can you wait just 1 second, please?

Mr. BALL. Yes.

[Pause.]

Chairman FORD. Commissioner, we do have a series of questions that we would like to submit to you, and if it would be all right, if you could answer back for the record within the next week for our markup session, we certainly would appreciate that. The committee is going to work in a timeframe to try to move for February 16, for a markup session on both the SSI program as well as reporting back to the full committee on our jurisdiction as it relates to SSI, and that is 1 week from today.

I would ask the Commissioner if it is all right with you. We would like to submit some questions to you that we could be privy to the information prior to 1 week from today.

Mr. BALL. Mr. Chairman, I will do my best.

[No questions were submitted.]

Chairman FORD. Thank you very much.

If there are no further questions, we will adjourn until 1 week from today for the markup session on the Federal supplemental compensation legislation as well as SSI.

The subcommittee will stand adjourned until 1 week from today.

[Whereupon, at 3:15 p.m., the hearing was adjourned.]

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